

Proposed 2007 Session Legislation

Agency Name: Agency No:

Priority Number: Filename:

Short Title:

Agency Contact Person/Phone:

1. Purpose:
 The proposed amendments to the Montana Mortgage Broker and Loan Originator Licensing Act, Section 32-9-101, MCA et. seq. will afford greater protection to Montana consumers. The bill will: (1) change the penalty provisions of the act; (2) require the designated manager to be physically located in the state; (3) require branch offices to maintain a surety bond; and (4) afford MAPA due process rights to licensees. The amendments will also authorize the division to order restitution for borrowers and to recover the costs of any administrative action.

2. Background:
 The Mortgage Broker and Loan Originator Act was originally enacted in 2003. The statute mandates that if the Division levies a fine it must be no less than \$5,000.00. This is too high for some of the violations that have occurred.

3. Fiscal Impact by Fund Type: *This impact should be as specific as possible.*
 There will be no impact on the special revenue fund from the ability of the Division to recover the costs of any administrative actions. The Division will be able to recover the costs of enforcement actions. Civil money penalties will be deposited into the general fund.

4. Summary Checklist [Check & complete all that apply]--

Housekeeping Only
 Federal Requirement
 Audit Recommendation (Audit No.)
 Major Legislation

Anticipated to be Controversial Legislation
 Bill Draft has been included in Legislation Submittal (if available)

Supports Submitted EPP Item Number:
 Local Government Fiscal Impact

Increases FTE, or
 Decreases FTE by

List FTE amount and program

Increases Existing Revenue
 Tax
 Fee
 Penalty [amount in #3]

Decreases Existing Revenue
 Tax
 Fee
 Penalty [amount in #3]

Establishes New Revenue
 Tax
 Fee
 Penalty [amount in #3]

Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):

Legislation would affect other state agencies (list):

Special Interest Groups Affected (list):
 Montana Association of Mortgage Brokers

Other: